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**ARIZONA CORPORATION COMMISSION**

**KRISTIN K. MAYES**  
Chairman

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October 8, 2009

Governor Jan Brewer  
State of Arizona  
1700 West Washington  
Phoenix, AZ 85007

Dear Governor Brewer,

As a fellow elected officer of the State of Arizona, I recognize that we are faced with the largest financial crisis in our history and understand the need for all public servants to take appropriate action for the good of the state. I appreciate the opportunity to respond to your call for a 15% reduction in operating expenses as it is vital for our agency to determine which of our appropriated funds are able to absorb additional cuts.

Regrettably, I cannot provide you with such a plan by October 9<sup>th</sup> as our Corporations and Securities Divisions continue to struggle without budgets as a result of the actions taken during and after the last special session. Additional time is needed as we are currently in the process of assessing our ability to ensure compliance with our constitutional and statutory obligations.

As you are aware, we have been fiscally responsible and managed budget reductions thus far through ongoing vacancy and expenditure savings, and through the permanent elimination of staff positions. The Commission's appropriations and operations, if fully funded, will support its efforts with minimal input from the state general fund; further, we continue to remit fees in excess of approximately \$20 million a year to the state general fund.

I am sure that in the near future your office and the Arizona Legislature will come together to make whole the Corporation Commission's budget, at which time I will be in a position to provide you with a plan that will ensure we do our best to meet your desired goals while continuing to operate at a sustainable level.

Respectfully,

A handwritten signature in black ink, appearing to read "K. Mayes", is written over a horizontal line.

Kris Mayes, Chairman  
Arizona Corporation Commission

Cc: Eileen Klein  
ACC Commissioners  
Ernest Johnson  
Rebecca Wilder